

## NextEra Energy Resources



# NextEra Energy Resources is a subsidiary of NextEra Energy; Florida Power & Light is NextEra Energy's other principal business

## NextEra Energy

- \$22.7 B market capitalization
- 42,678 MW in operation
- \$15.6 B operating revenues
- \$48.5 B in total assets

## Florida Power & Light

- One of the largest U.S. electric utilities
- Vertically integrated, retail rate-regulated
- 4.5 MM customer accounts
- 24,530 MW in operation
- \$11.5 B in operating revenues
- \$26.8 B in total assets

## NextEra Energy Resources

- Successful wholesale generator
- U.S. leader in renewable generation
- Assets in 26 states and Canada
- 18,148 MW in operation
- \$4.0 B in operating revenues
- \$20.1 B in total assets

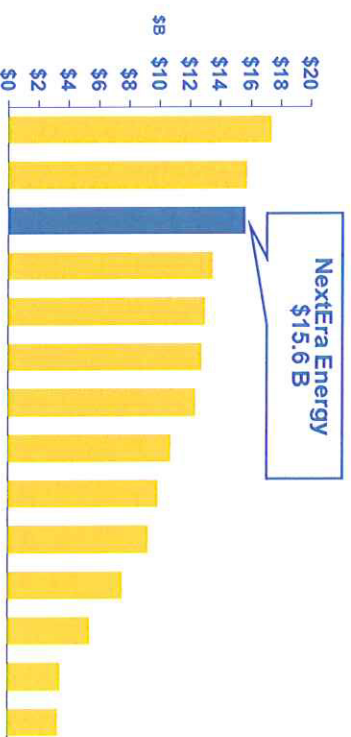


# NextEra Energy is one of the largest power companies in the U.S.

## Owned Capacity<sup>(1)</sup>



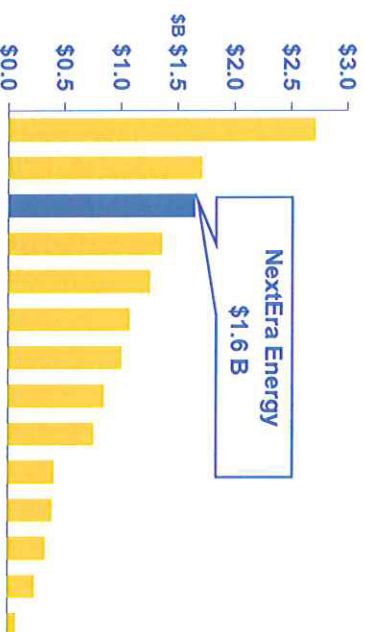
## Revenue<sup>(3)</sup>



## Number of Retail Customers<sup>(2)</sup>



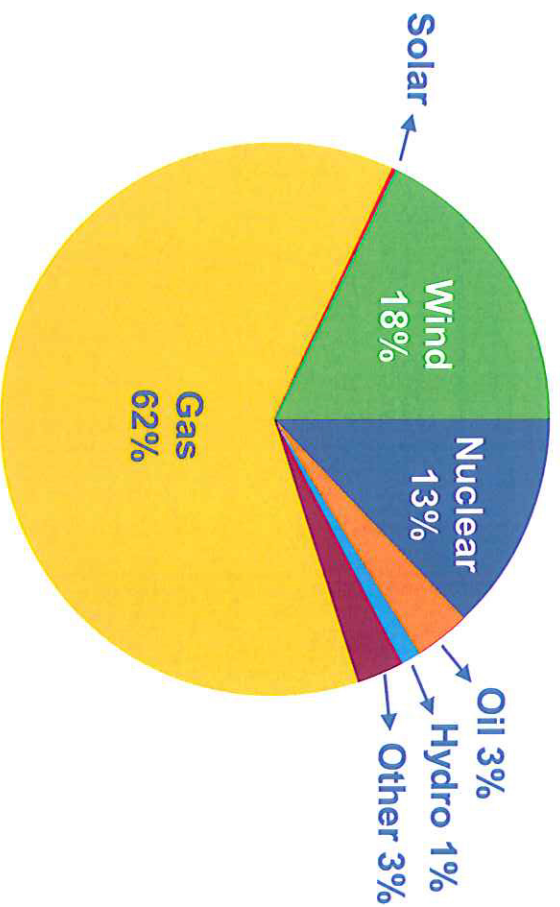
## Net Income<sup>(3)</sup>



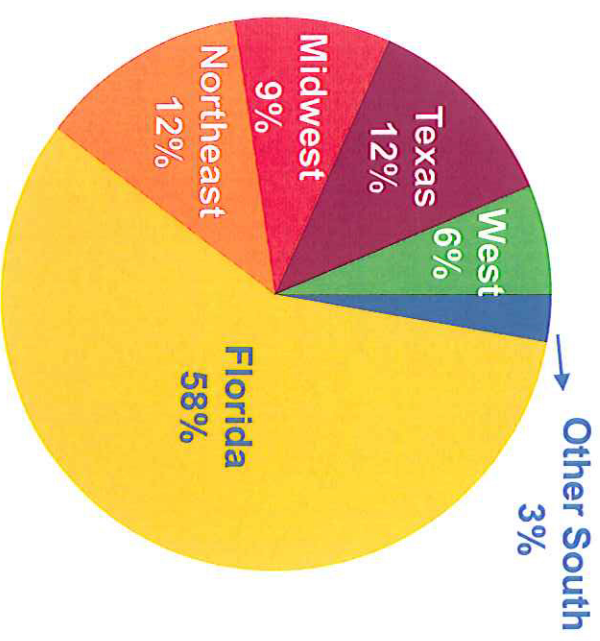
- (1) Source: SNL Financial except for NextEra Energy; FPL 2010 Ten Year Site Plan Schedules 1 & 9; Energy Resources portfolio as of December 31, 2009
- (2) Source: 2010 EEI DataSource Survey as of December 31, 2009
- (3) Source: Bloomberg data for S&P Electric Utilities Index components as of December 31, 2009

# NextEra Energy is significantly diversified across its portfolio of assets and opportunities

## Generation Mix <sup>(1)</sup>



## Generation by Region <sup>(1)</sup>



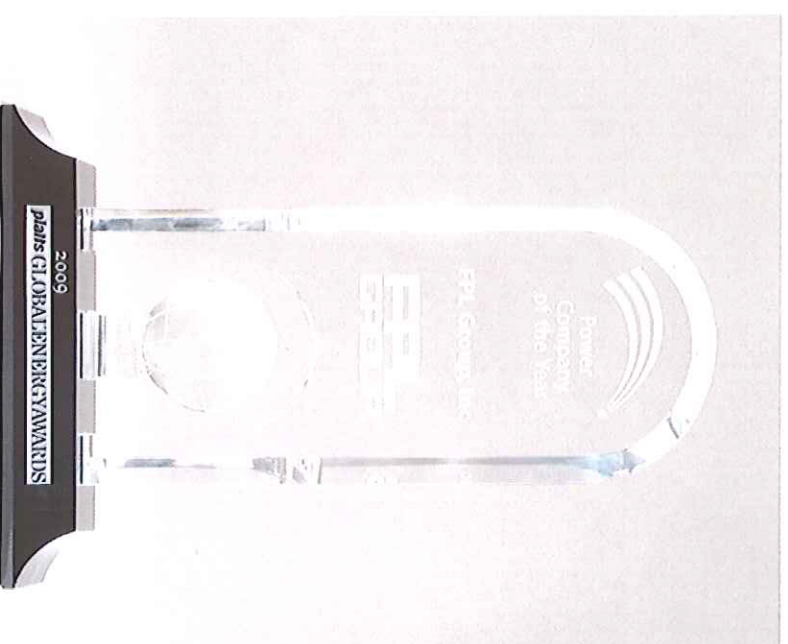
<sup>(1)</sup> Data as of December 31, 2009



# Our strategy has won NextEra Energy widespread industry recognition



We've been No. 1 on the Fortune "Most Admired" list for 4 years in a row, and we were recognized as one of the 10 most innovative companies in the world this year

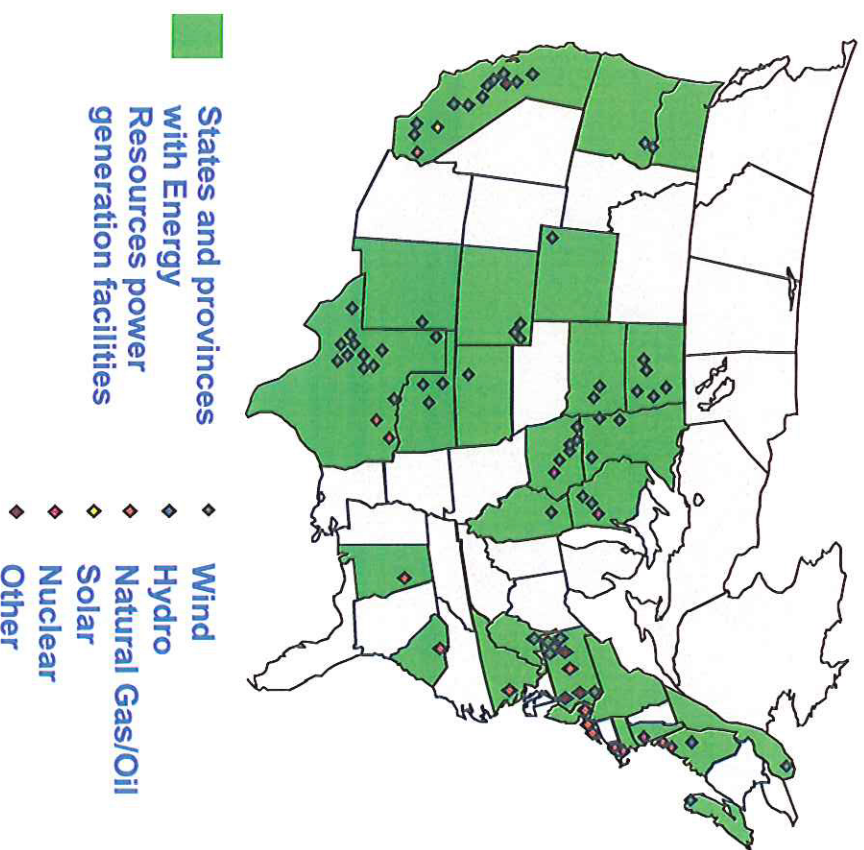


We were named Power Company of the Year by Platts against a field of 200 international competitors

# NextEra Energy Resources has 18,148 MW located across 26 states and Canada

## NextEra Energy Resources<sup>(1)</sup>

- Successful wholesale generator
- U.S. leader in renewable generation
- Physical assets in 26 states and Canada
- 18,148 MW in operation
- \$4.0 billion in operating revenues
- \$20.1 billion in total assets



(1) Operating revenues for the year ended December 31, 2009; all other data as of December 31, 2009



**NextEra Energy Power Marketing brings power from our generating facilities to market and hedges and optimizes the output of those facilities**

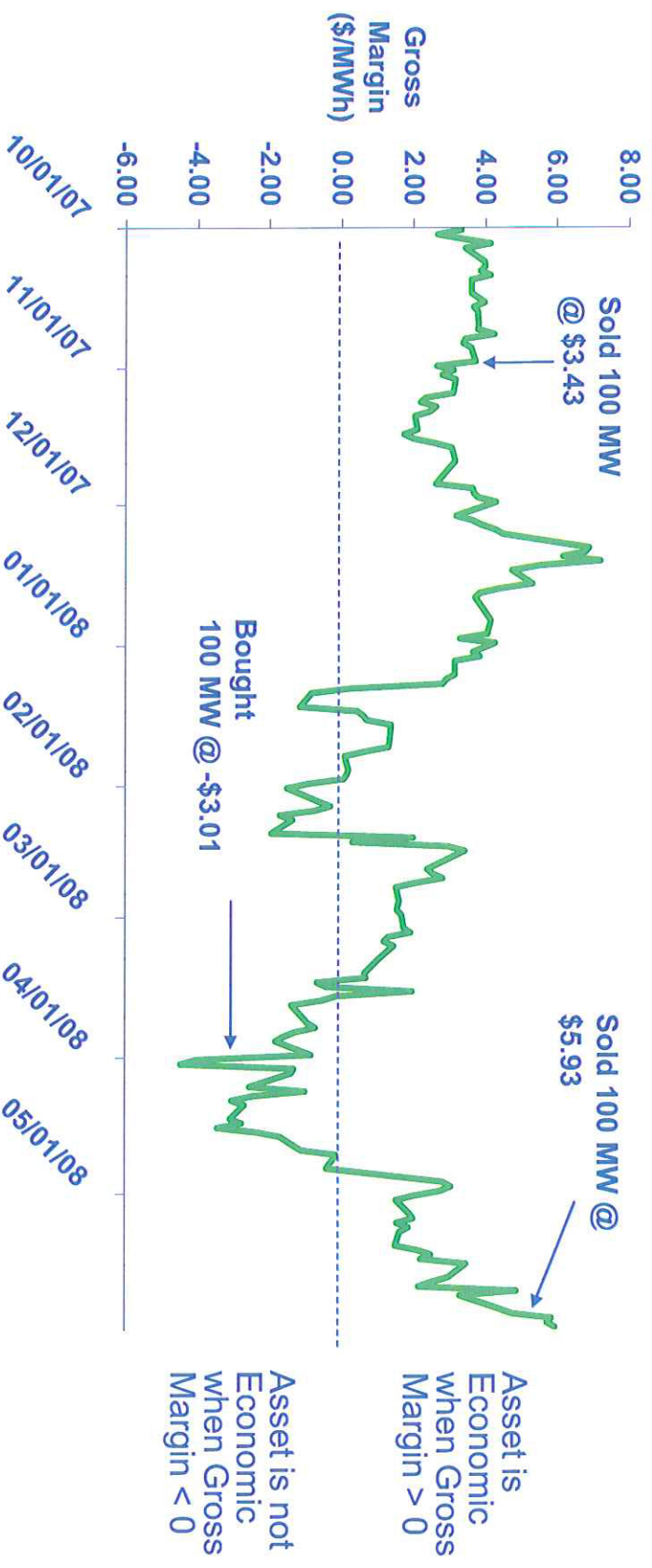
## Asset-Based Market Activity

- Daily scheduling of units with Independent Scheduling Operators (ISO's) in New England, Mid Atlantic, Midwest, Texas and California
- Execute longer-term hedges for our assets with counterparties
  - Many financial deals executed with banks
- We actively manage many of our competitive assets to take advantage of changing market conditions ("Asset Optimization")
  - As market prices for natural gas and electricity change, margins for gas-fired generating assets can be increased, without increased risk, by repurchasing hedges
  - See example on next page

**NextEra Energy Power Marketing actively manages natural gas-fired facilities to realize the full “option” value of the asset; transactions increase margin without additional risk**

## Asset Optimization Example

### Historical Forwards





**NextEra Energy Power Marketing also provides full requirements services to utilities and municipalities in the Northeast, Texas and the Midwest**

## **Customer Supply Business**

- Many states have deregulated their electric utilities, requiring the utilities to divest their generating assets
- These utilities must procure their power supply from third parties
- As one of the largest asset owners in the nation, NextEra Energy Resources is a natural counterparty to provide this service
- Transactions executed with utilities and municipalities in many states, including
  - Connecticut, New Jersey, Maine, New Hampshire, Massachusetts, Pennsylvania, Maryland, Washington DC, Delaware and Texas
- In most cases, NextEra Energy Power Marketing will hedge these transactions in the market with counterparties

## **NextEra Energy Resources provides retail energy through its subsidiary, Gexa Energy**

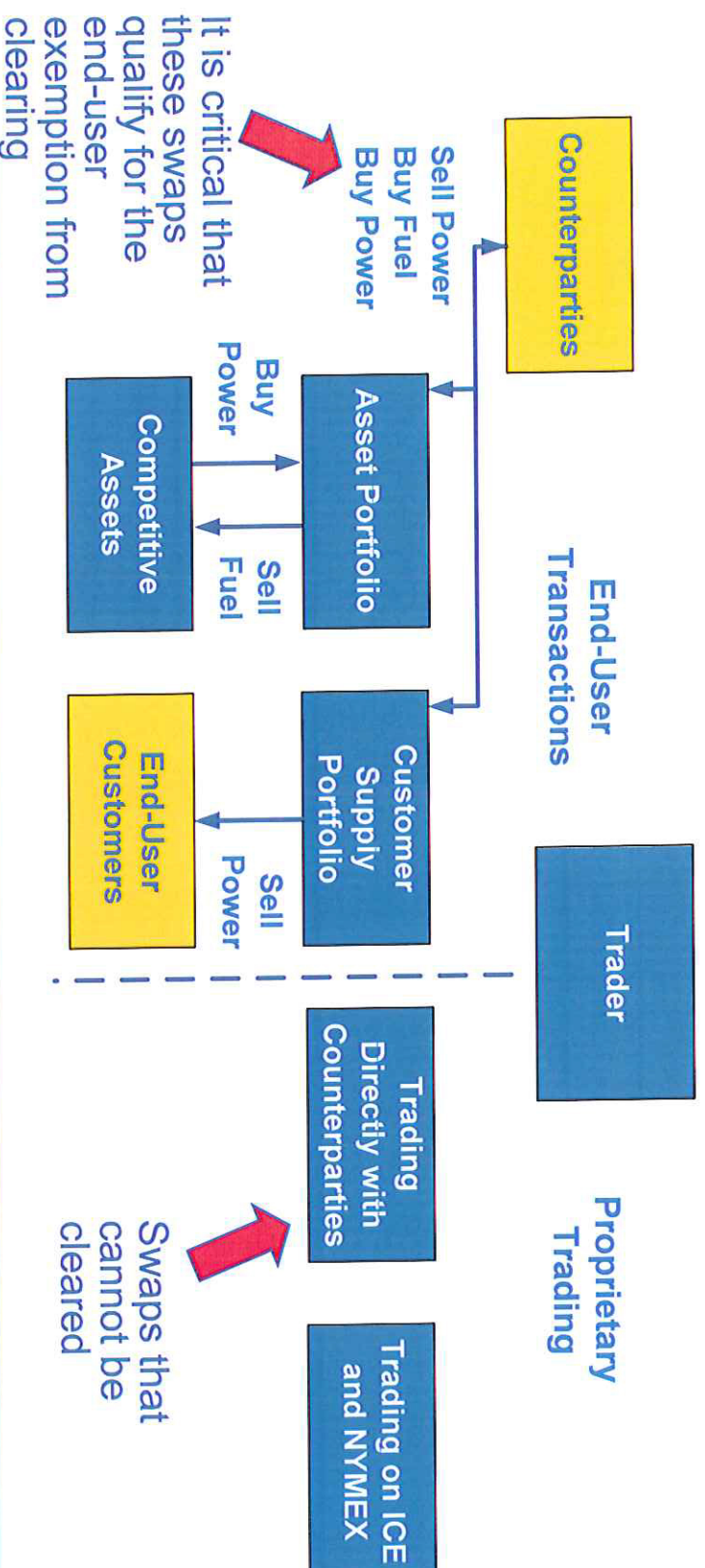
### **Retail Power Business**

- **Residential Service in Texas**
- **Commercial supply in multiple states across the country**
  - Texas, Maine, Connecticut, Illinois, Maine, Maryland, Massachusetts, Ohio, Rhode Island, Washington, D.C., Pennsylvania, New Hampshire and New Jersey
- **NextEra Energy Power Marketing will hedge these retail sales in the market with counterparties**



**NextEra Energy Power Marketing hedges our competitive assets and our Customer Supply businesses directly with counterparties**

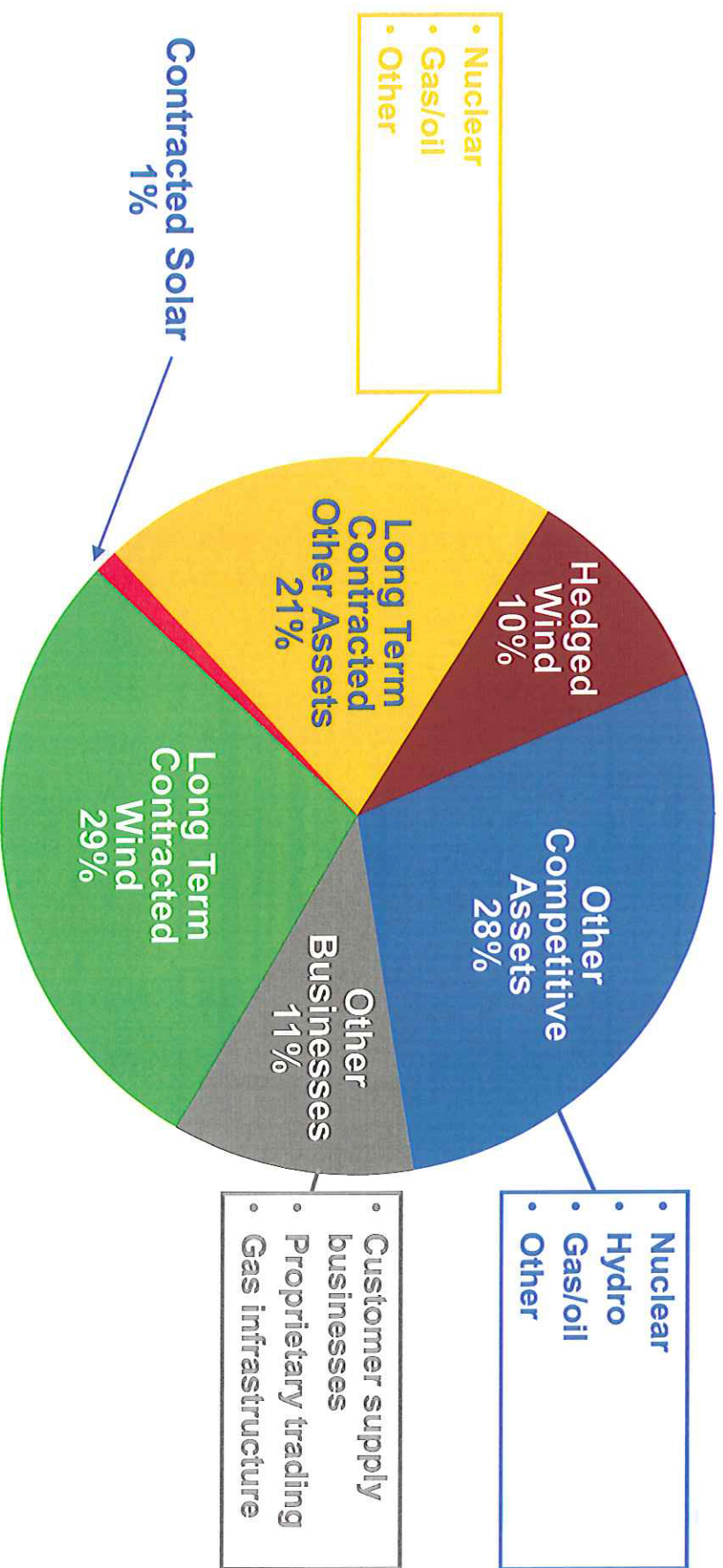
## Counterparty Transactions



**Hedging our assets and customer supply businesses directly with counterparties avoids carrying "open" positions on the exchanges**

**Customer Supply and Proprietary Trading represent ~7% of NextEra Energy Resources' gross margin, and an even smaller % of NextEra Energy's business**

## 2010E NextEra Energy Resources Gross Margin<sup>(1)</sup>



(1) Gross margin includes NextEra Energy Resources' share of revenues, pretax effect of production and investment tax credits, pretax impact of the Recovery Act, and fuel expense for consolidated and equity method investments. Gross margin excludes the mark-to-market effect of non-qualifying hedges.

Proprietary & Confidential Information



**While certain parts of our business are exchange-conducted, bilateral swap execution and therefore the use of unsecured credit is an important component of our hedging strategy**

## Key Credit Risk Management Practices

### New Counterparty

- Comprehensive assessment of company's financial strength including:
  - Debt levels/maturity
  - Asset portfolio
  - Available liquidity
  - Current credit ratings
  - Regulatory status/stability
  - Current credit spreads
- Use of modern master agreements/contracts
  - Collateral threshold matrix
  - Permits netting of financial and physical transactions for margining
- Designed to conform with safe harbor provisions in the Bankruptcy Code

### On-going

- Daily margin activities in accordance with contract terms
- Periodic reviews of counterparties' financial performance
- Notification of rating agency actions
- Monitor credit-related events that negatively impact credit spreads
- For distressed counterparties, determine appropriate action such as:
  - Internally restrict level or duration of activity
  - Purchase physical product to offset credit exposure
- Provide daily credit reports to commercial personnel noting any internal restrictions